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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554**

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

In the Matter of:)

Implementation of the Local)
Competition Provisions in the)
Telecommunications Act of 1996)

CC Docket No. 96-98

**SOURCE MATERIALS
Volume 5 of 10**

**TAB 38 [Meade] through
TAB 49 [NY ALJ Letter]**

**TO
PETITION FOR
FOR EXPEDITED RULEMAKING**

**BY
LCI INTERNATIONAL TELECOM CORP.
and
COMPETITIVE TELECOMMUNICATIONS ASSOCIATION (CompTel)**

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TABLE OF SOURCES AND SOURCE CONVENTIONS*

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<u>TAB</u>	<u>Convention</u>	<u>Source</u>
38	Meade:	Direct Testimony of Loyall Meade on Behalf of MFS Intelenet of Georgia, Inc. Before the Georgia Public Service Commission, Docket No. 6863-U (Feb. 14, 1997)
39	Meyer-K:	Affidavit of Cynthia K. Meyer on Behalf of Sprint Communications Company L.P. Before the Kansas Corporation Commission, Case No. 97-SWBT-411-GIT (Mar. 13, 1997)
40	Meyer-O:	Testimony of Cynthia K. Meyer on Behalf of Sprint Communications Company L.P. Before the Oklahoma Corporation Commission, Cause No. PUD 970000064 (Mar. 13, 1997)
41	MCI Complaint:	Complaint Filed by MCI Against PacBell Before the California Public Utilities Commission (Feb. 17, 1996)
42	MCI Response:	Response of MCI Telecommunications Corporation to Submission of Information of Ameritech Michigan Before the Michigan Public Service Commission, Case No. U-11104 (Jan. 9, 1997)
43	Miller:	Direct Testimony of Ali Miller on Behalf of MCI Telecommunications Corporation (OSS Issues) Before the Wisconsin Public Service Commission, Docket No. 6720-TU-120
44	Miller-S:	Supplemental Direct Testimony of Ali Miller on Behalf of MCI Telecommunications Corporation Before the Illinois Commerce Commission, Docket No. 96-0404
45	Miller-SR:	Surrebuttal Testimony of Ali Miller on Behalf of MCI Telecommunications Corporation Before the Wisconsin Public Service Commission, Docket No. 6720-TU-120
46	Moir:	Deposition of Caryn D. Moir Before the California Public Utilities Commission, Case No. 96-012-026 (Mar. 13, 1997)
47	Morson:	Declaration of Roberto Morson on Behalf of MCI Telecommunications Corporation Before the Pennsylvania Public Utility Commission, Docket No. M-960840

* Other than the few items marked with an (*), the cited pages from these materials are assembled and presented in separate volumes with an index for convenient reference (where the documents are lengthy, only the cited pages appear). These source materials may be obtained upon request in their abbreviated or in complete form. The items marked with an (*) are omitted from the collection of source materials because they are generally available or have been filed previously with or promulgated by the Commission.

<u>TAB</u>	<u>Convention</u>	<u>Source</u>
48	Nelson:	Affidavit of Michael J. Nelson on Behalf of Sprint Communications Company L.P. Before the New York Public Service Commission, Case 97-C-0271 (Mar. 28, 1997)
49	NY ALJ Letter	Letter of the Administrative Law Judge of the New York Department of Public Service, Case 97-C-0271 (May 13, 1997)

**BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION**

In Re:

Consideration of BellSouth
Telecommunications, Inc.'s
Entry Into InterLATA Services
Pursuant to Section 271 of the
Telecommunications Act of 1996

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)
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Docket No. 6863-U

**DIRECT TESTIMONY OF LOYALL MEADE
ON BEHALF OF
MFS INTELENET OF GEORGIA, INC.**

February 14, 1997

1 **1.Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

2 A. C. Loyall Meade, Senior Director, Network Development, WorldCom, Inc., 1632 E. Parham
3 Road, Richmond, Virginia 23228.

4 **2.Q. PLEASE DESCRIBE YOUR PREVIOUS PROFESSIONAL EXPERIENCE AND**
5 **EDUCATIONAL BACKGROUND.**

6 A. I have been in the telecommunications industry for 13 years. Prior to joining MFS, I spent
7 seven years with a small fiber optic engineering consulting firm, of which I was a minority
8 owner. My expertise involved route development, franchise and agreement negotiation
9 activities for communications networks for private companies, the federal government and
10 telecommunications companies, including competitive access providers (CAPs) and
11 interexchange companies. Prior to joining the consulting firm, I provided similar consulting
12 services directly to MCI on its establishment of "last mile" facilities in metropolitan areas.
13 I hold a Bachelor of Science degree from Virginia Tech.

14 **3.Q. PLEASE DESCRIBE MFS AND ITS INTEREST IN THIS PROCEEDING.**

15 A. MFS Intelenet of Georgia, Inc. ("MFS") is a subsidiary of MFS Intelenet, Inc., a wholly
16 owned subsidiary of MFS Communications Company, Inc. MFS Communications
17 Company, Inc. is in turn, as of December 31, 1996, a wholly owned subsidiary of
18 WorldCom, Inc. MFS and its affiliates are certificated to provide local exchange service in
19 23 states, including Georgia. As a new entrant to the Georgia local exchange marketplace,
20 MFS has a very real interest in seeing that BST meets all of the checklist elements that it
21 must meet as a precondition of Section 271 authority. Once BST receives that authority the

1 genie is out of the bottle, BST no longer has an incentive to ensure that local competition is
2 implemented.

3 **4.Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AT WORLDCOM.**

4 A. I joined MFS in 1993 as Director of Implementation for MFS Development. My
5 responsibilities included the development of various MFS facilities-based networks, the
6 evaluation of existing networks being considered for acquisition and the oversight of network
7 construction activities handled by MFS' construction management subsidiary. In the
8 summer of 1995, as a reaction to regulatory and industry changes which began to open local
9 markets to competition, MFS formed a new organization, the Local Services Implementation
10 Group, to negotiate and implement co-carrier arrangements with incumbent LECs. I became
11 part of this group upon its inception, and was assigned the BellSouth region. The LSIG
12 group has recently changed its name and expanded its responsibilities to include facilities-
13 based network expansions as well as co-carrier implementation. In my current role, I oversee
14 the implementation of co-carrier implementation with BellSouth, Bell Atlantic, GTE-FL, and
15 Sprint (Florida) and handle network expansion activities in the Southeast.

16 **5.Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

17 A. MFS is here for the single purpose of demonstrating to the Commission that it takes more
18 than signing an interconnection agreement to enter the local exchange market. As the largest
19 provider of competitive local exchange service, MFS is well aware that entering the local
20 exchange market is a very difficult undertaking and involves countless steps, any and all of
21 which can affect the new entrants' ability to provide competitive local exchange service. As
22 the person in charge of local exchange service implementation for MFS in Georgia, I can

1 state that facilities-based local competition does not presently exist in any meaningful way
2 in Georgia. The Telecommunications Act of 1996 is now a year old. The passage of that
3 law did not suddenly mean that local competition would actually take place. Based on my
4 experience signing and then obtaining Commission approval of an interconnection agreement
5 also does not mean that local competition will suddenly emerge full grown.

6 Local competition is not occurring because local exchange market entry is difficult
7 and time consuming. Today's BST local exchange service in Georgia is the result of a 100
8 year old monopoly, supported by a ubiquitous local network and fully developed back-office
9 systems such as customer service, billing, trouble reporting, and emergency and directory
10 services. New entrants, such as MFS, are starting from scratch in a market currently fully
11 served by BellSouth. In these circumstances the new entrant will not be competitive with
12 BST overnight. The inherent disparities are greatly exacerbated by the absolute dependence
13 of the new entrant on the LEC for essential elements of the entrant's services. I might also
14 add that an incumbent has opportunities to delay the process of rolling out local competition
15 and there are many points at every step of the implementation process in which delay can
16 take place.

17 Basically, I am here to provide the Commission with the benefit of MFS' real world
18 experiences in attempting to implement local exchange competition. I am here to explain
19 to the Commission the difficulties in entering the local exchange service business in general,
20 and to some extent, the problems we have experienced in trying to implement local
21 competition in Georgia. My goal is to provide the Commission with these experiences so
22 you are properly informed as to the current pace of local competition and the likely time

1 frame for future developments. I am sure that others will discuss the legal and policy
2 questions related to BST's entry into the long distance business, that is not my purpose. I
3 am here only to illuminate the nuts-and-bolts of local market entry and the pitfalls of rolling
4 out competitive local exchange service.

5 **6.Q. HOW DOES A NEW ENTRANT LIKE MFS GO ABOUT ENTERING THE**
6 **GEORGIA LOCAL EXCHANGE MARKET IN COMPETITION WITH BST?**

7 A. At MFS, we like to use the term "co-carrier" to describe the relationship of new entrants to
8 the incumbent local exchange carrier ("LEC"), like BST. Exhibit 1 to my testimony is a list
9 of major categories of activities required to operate as a competitive facilities-based LEC,
10 or co-carrier, in the United States. This is a very general summary — the view from 10,000
11 feet. It is by no means an exhaustive list. Even at that level, however, it provides an idea of
12 the scope of the undertaking. Each activity I will discuss includes numerous detailed steps
13 to implement, and may entail physical or industry-imposed lead times for completion of
14 various steps. Each step in turn requires the expertise and attention of large numbers of
15 subject matter experts mobilized to perform the specific function for each and every targeted
16 metropolitan service area. To actually implement these steps, scores of people in both
17 companies must be educated, incented, and trained.

18 **7.Q. PLEASE DESCRIBE THE APPLICATION, CERTIFICATION AND**
19 **CONSTRUCTION PROCESS.**

20 A. The process begins with application to a state commission for authority to operate as a
21 telecommunications provider. Depending on the state, this process can take from a few
22 months to a year to complete. Once a carrier is certified, it frequently must request and

1 receive a license/permit, sometimes called a "franchise," to enter public rights of way in
2 order to lay cable.

3 With a franchise, a carrier may then construct a fiber optic backbone network, and
4 after further market analysis, a local fiber optic network along primary routes in the target
5 metropolitan area. In the case of MFS, we initially connect main MFS node points to LEC
6 Central Offices, interexchange carrier ("IXC") points of presence ("POPs"), Internet POPs,
7 and the like. MFS then extends its network by collocating fiber optic transmission
8 equipment into LEC wire centers in target Serving Areas within the targeted metropolitan
9 area.

10 Building these networks involves rights-of-way agreements with multiple providers,
11 for example, conduit and pole attachment agreements and negotiation of franchise
12 agreements with municipalities. To connect large customer buildings to a network like
13 MFS', we must also request and receive building access agreements from building owners
14 to facilitate these connections.

15 In Georgia, MFS had constructed a fiber optic backbone and obtained certification
16 as a CAP prior to the time local competition was authorized in Georgia. MFS became
17 operational as a CAP in October 1993 with a limited network in downtown Atlanta and
18 additional backbone and loops in various suburbs. Since then, the network has been
19 expanded and is currently 130 route miles in length, still a tiny portion of BellSouth's
20 network.

21 To become a facilities-based co-carrier it is not enough to simply have the fiber optic
22 software, hardware, and cable capacity in the ground to be a co-carrier. As in many other

1 states, a separate certification process was required in Georgia to obtain authority as a
2 competitive local exchange carrier (CLEC). In addition, unlike special access and private
3 line service, local exchange service also requires the investment, installation, programming
4 and testing of a switch.

5 Switch deployment requires extensive testing to ensure absolutely transparent
6 operations with respect to call handling, end user features, function and service attributes,
7 and industry standard interfaces and protocols. After a CLEC is certified and has installed
8 a switch, it still must interconnect its facilities with the incumbent local exchange carrier in
9 order to access the public switched network. To do so you must negotiate the terms of
10 interconnection with the LEC.

11 **8.Q. PLEASE DESCRIBE THE INTERCONNECTION AGREEMENT NEGOTIATION**
12 **PROCESS.**

13 A. As the Commission has come to learn, an interconnection agreement is a contract governing
14 the universe of complex relationships between an LEC and a CLEC so that the two can
15 provide seamless service to the customers of both carriers' networks. The Commission well
16 knows from its 1996 Act interconnection arbitrations what comprises an interconnection
17 agreement, but I will briefly outline the highlights.

- 18 • **Physical Interconnection Terms:** the number and location of points of
19 interconnection, type of interface, standards and intervals related to
20 deployment and upgrades of interconnection equipment;

- 1 • **Transport and Termination of Telephone Exchange Service Traffic:**
2 Determination of specific trunk groups for various types of traffic (local,
3 intraLATA toll, operator, information services);
- 4 • **Reciprocal compensation;**
- 5 • **Transport and Termination of Exchange Access Traffic:** Determination
6 of specific trunk groups for traffic from MFS end users to IXC's via LEC
7 tandem switches;
- 8 • **Access to Incumbent 9-1-1 Infrastructure;**
- 9 • **Access to Directory Assistance;**
- 10 • **Access to White Pages and Yellow Page Listings;**
- 11 • **Access to and Pricing of Unbundled Loops and Other Elements:**
12 Provisioning intervals, ordering processes, cut-over procedures, specification
13 of loop types, etc.;
- 14 • **Collocation Arrangements;**
- 15 • **Number Portability:** Implementation of Interim Number Portability ("INP")
16 via Remote Call Forwarding ("RCF"), Direct Inward Dial ("DID"), pass-
17 through of terminating compensation of INP traffic; and
- 18 • **Access to, and Billing of, Third Party Traffic**

= 19 A LEC and a CLEC either agree to terms, or they arbitrate before the Commission
20 pursuant to the 1996 Act, or a combination of both. Whatever route the negotiations take,
21 the interconnection agreement ultimately is filed with the Commission and approved.

1 In MFS' case, it initiated negotiations with BellSouth prior to the enactment of the
2 1996 Act. It took a full year from the initiation of the negotiations until an interconnection
3 agreement covering a number of issues was signed. Even then critical economic issues
4 remained for the Commission to decide through the arbitration process. In particular, the rate
5 for unbundled loops was arbitrated by this Commission. Even today the loop rates
6 established are only interim rates.

7 **9.Q. PLEASE BRIEFLY DESCRIBE THE CO-CARRIER IMPLEMENTATION**
8 **PROCESS.**

9 A. Implementation of co-carrier arrangements with the LEC generally involves many, many
10 details. What follows is simply an outline of the types of issues a co-carrier must resolve:

- 11 • Develop joint procedures for interconnection, unbundling, monitoring, and
12 testing;
- 13 • Set up and test all interconnections, procedures, and electronic interfaces;
- 14 • Meet with each municipal or county 911 authority to coordinate 911
15 integration;
- 16 • Install and test unbundled loops and unbundled loop provisioning procedures;
- 17 • Trial joint coordination of unbundled loop and interim number portability for
18 "live" customer accounts, within specified cut-over window.
- 19 • Develop and implement ordering and billing procedures.
- 20 • Request and obtain NXX codes and list in LERG.

21 These steps may take from days to months to accomplish and many of these steps can
22 only be initiated after other steps have been accomplished. As a new entrant it is absolutely

1 essential that when we begin to provide service to our first customer everything is in place
2 and is working so that both the cutover from BellSouth and our dial tone service is at least
3 as good as BellSouth's. The worst thing a new entrant could do is to initiate service before
4 "all systems are go" and have been fully tested. If service is not good, there is almost no way
5 for a new entrant to even begin to overcome the incredible market advantage the LEC has.

6 **10.Q. PLEASE DESCRIBE WHAT IS INVOLVED IN DEVELOPING AND**
7 **IMPLEMENTING CO-CARRIER BILLING PROCESS.**

8 A. Billing is an essential element of a co-carrier system. Unless it works, it can be the Achilles
9 heel of competitive service. To institute a co-carrier billing process, MFS and the LEC must
10 undertake a number of steps. These include:

- 11 • MFS and the LEC must mutually determine billing data (records exchange)
12 processes and procedures to include method of transmission and transmission
13 frequency.
- 14 • Test tapes must be exchanged between MFS and the LEC to insure that
15 correct and complete billing information is being passed back and forth.
- 16 • Billing percentages (BIPs) by route, must be developed and concurred to by
17 the LEC in order for the production of accurate Meet Point Billing bills to the
18 IXC. These percentages must then be filed in NECA FCC Tariff No. 4 for
19 publication to the industry.
- 20 • The LEC must provide interexchange carrier billing name and address
21 information to MFS in order for MFS to alert each IXC of our presence in the
22 market, advise them of new Local Exchange operations and coordinate

1 procedures for billing each IXC for termination/origination of traffic to/from
2 the co-carrier's customers;

3 • MFS and the LEC must agree to bill factor percentages (PLU - Percent Local
4 Usage) to jurisdictionalize traffic (local/toll) when actual call records and/or
5 complete data is not available to segregate the traffic.

6 • Implement processes to render carrier access bills to all IXCs for traffic
7 originated from/terminated to the co-carrier's telephone numbers by IXCs;

8 • Implement billing system process to render bills to each LEC for reciprocal
9 compensation on traffic terminated to/originated from MFS customers;

10 • Processes and procedures for Interim Number Portability (INP) must be
11 agreed to for MFS to be fully compensated for calls terminating to MFS
12 customers that retain the LEC telephone number. Under the current
13 technology (Remote Call Forwarding), MFS would be under compensated for
14 calls other than true local calls (toll and interstate) because the ultimate call
15 record MFS receives on any call to an INP number is the forwarded local call
16 from the LEC end office. All information as to the origination point of the
17 call is lost.

18 • Tax exemption certificates must be shared between MFS and the LEC to
19 ensure proper tax application on facility and usage bills.

20 Finally, the co-carrier must develop, implement, and test end user billing systems and
21 initiate local service.

1 While establishing billing procedures is obviously complex, the Commission should
2 realize that decisions and agreements on who gets billed for what and who pays for what
3 must be addressed for a large number of different typtes of calls.

4 As you can see, much has to be accomplished before even one customer can be
5 served. Not to overstate the point, but it requires emphasis, unless MFS and the LEC get the
6 process working correctly, we will be out of the marketplace before we even start.

7 **11.Q. WHAT ARE SOME OF THE PITFALLS OF LOCAL COMPETITION**
8 **IMPLEMENTATION?**

9 A. There are many pitfalls. There are a host of provisioning and operational issues through
10 which a LEC, like BST, can impede development of local competition through delay. I am
11 not suggesting that this is even intentional, it is simply the nature of the arrangement.
12 However, because of the complexity of the arrangements, it is frequently difficult to
13 determine where "fault" lies. For your purposes today, however, "fault" is not the issue. As
14 long as the problems persist local competition cannot take root.

15 **12.Q. HAS MFS EXPERIENCED ANY OF THESE PROBLEMS IN IMPLEMENTING**
16 **LOCAL COMPETITION?**

17 A. Yes. MFS is currently operating as a co-carrier or is in the detailed implementation stage
18 with all of the RBOCs. Each one has its own requirements for ordering and provisioning
19 procedures, such as specific order forms and interfaces (manual, mechanical, electronic), any
20 of which may have a specific software database platform. Moreover, nomenclature and
21 terminology can differ not only between MFS and the LECs, but also among the LECs
22 themselves. This lack of standardization results in delays in orders being accepted,

1 confirmed and processed. MFS has had these difficulties occur in virtually all markets for
2 the provisioning of both interconnection trunking and unbundled loops.

3 In addition, MFS has experienced problems in some markets due to the LEC's lack
4 of procedures. For example, we have had LECs connect an unbundled loop customer for
5 MFS, only to disconnect the customer several days later, because it issued a disconnect order
6 as part of its loop conversion procedure, after the loop was installed.

7 **13.Q. HAS MFS EXPERIENCED ANY OF THESE PROBLEMS IN IMPLEMENTING**
8 **LOCAL COMPETITION IN GEORGIA?**

9 A. MFS has not yet provided service using unbundled loops in Georgia, so it is too early to tell
10 whether certain of the specific issues which have arisen elsewhere will develop in Georgia.
11 Nonetheless, MFS has already experienced a number of problems in implementing local
12 competition in Georgia. Some of these problems illustrate the importance of the "back
13 room" process. An example of the need for operational support systems is MFS' problems
14 obtaining customer service records ("CSRs") from BST on a timely basis. CSRs indicate
15 which services the customer purchases from its current carrier. MFS needs CSRs so that it
16 can convert customers from a bundle of BST services to a similar bundle of MFS services.
17 MFS had been receiving CSRs from BST in a matter of two days after we requested them;
18 after a few weeks, however, the CSRs were taking 5-8 days, or more, to obtain, even with
19 persistent follow-up. After MFS escalated the issue within BellSouth, a BellSouth project
20 manager was assigned to ensure that CSR requests are turned around quickly, and I believe
21 that the interval is now back down to an acceptable window of 48 hours. Clearly, BST had
22 been either inadequately staffing or processing these requests for CSRs, or both.

1 The current lack of standardization of order forms, interfaces, and demarcation points
2 of responsibility impede the ability to implement local services in a timely and effective
3 manner. In addition, since BST had no need previously to provide these arrangements to
4 others, there is a near total lack of intracompany procedures. These issues have hampered
5 markedly MFS' ability to provide a local exchange service that is competitive with the
6 service the LEC provides and in other markets have damaged MFS' relationships with its
7 customers. Where there have been service problems, the customer naturally blames MFS,
8 as its local exchange carrier, even though the root of the problem may lie with the LEC.

9 **14.Q. HAS MFS EXPERIENCED PROBLEMS WITH THE PROVISION OF LOCAL**
10 **SERVICE USING UNBUNDLED LOOPS?**

11 A. MFS' experience in other states with the process of converting customers' service from
12 bundled access lines to unbundled loops for use by MFS has revealed a number of problems
13 demonstrating the complexities involved. The conversion process requires careful
14 coordination by the LEC and MFS technicians to meet installation dates promised to
15 customers and to avoid unnecessary or prolonged service down times. Unfortunately, MFS
16 has suffered the consequences of a lack of coordination on the part of personnel in the
17 provisioning of unbundled loops and the cutover of customers to MFS' service. When there
18 are problem conversions, there is a significant risk that a customer will lose confidence in
19 MFS and switch back to the LEC.

20 An example of a coordination problem which has serious negative implications for
21 MFS involves scheduling the actual conversion. For customer convenience, MFS will often
22 schedule a cutover for businesses after normal business hours and will agree to pay the

1 overtime rate for the technician so that the customer will not be out of service during
2 business hours. If the technician misses the scheduled appointment, the whole point of the
3 early scheduling procedure -- to ensure that the customer does not lose service during
4 business hours -- is lost. Unfortunately, our experience has been that it is not an unusual
5 occurrence for the scheduled conversion to be delayed for some period of time.

6 **15.Q. WHAT OTHER CUSTOMER CONVERSION PROBLEMS HAS MFS**
7 **EXPERIENCED?**

8 A. In addition to these types of coordination cutover problems, MFS has experienced
9 conversion problems even when it converts a customer in the resale environment. In this
10 situation, no physical change need be made to convert the customer. There is no cross
11 connect, no disconnect. The only change, in effect, is a change to the billing information.
12 MFS, as a reseller, becomes the customer of record for LEC billing purposes. This is clearly
13 the simplest form of customer conversion. Despite that fact, MFS has experienced
14 conversion problems even in that context. Customers seeking to convert to MFS have been
15 disconnected and even when this is discovered have not been promptly reconnected. This
16 problem may result from inadequacies in the LEC internal cutover notification or ordering
17 procedures.

18 Local competition cannot work until OSS systems are in place so that LEC to CLEC
19 conversions are as simple as a PIC change for long distance service. Until that happens, it
20 will be almost impossible for significant local competition to develop.

1 16.Q. WHAT EFFORTS IS MFS CURRENTLY UNDERTAKING TO ORDER
2 UNBUNDLED BST LOOPS?

3 A. At present, MFS and BST are conducting an unbundled loop pilot program. The purpose of
4 this pilot program is to test the validity of the ordering and provisioning process as it relates
5 to unbundled loops. MFS has conducted these pilots in every new market in which we have
6 rolled out local service.

7 The pilot consists of a series of orders for new unbundled loops and the conversion
8 of existing LEC bundled services to unbundled services in a controlled environment. This
9 allows both MFS and the LEC to cooperatively test their methods, procedures and interfaces
10 in an atmosphere which does not affect live end users. The pilot continues through a series
11 of ordering, maintenance and repair scenarios and concludes with the disconnect of the
12 unbundled services.

13 When MFS orders an unbundled loop, the loop is disconnected from the LEC
14 equipment in the CO and cross connected to MFS' IDLC. In order for us to access
15 unbundled loops, we must first install an IDLC in the LEC's central office. This equipment
16 is wired to our existing equipment in the Central Office, which may be virtually or physically
17 collocated, depending upon the unique circumstance of the central office.

18 Based upon a schedule mutually developed by MFS and BST, the Atlanta pilot was
19 originally scheduled to begin in mid-November 1996. Due to a series of delays involving
20 wiring, equipment installation and testing, the pilot did not commence until the latter part of
21 January. Again this was not atypical of MFS' experience in other new markets. Both the
22 local MFS personnel and their BST counterparts were new to the process of ordering,

1 provisioning and installing unbundled loops. Adding to the complexity of the pilot was the
2 fact that the MFS equipment was installed in both a physical and virtual collocation mode,
3 necessitating different rules and procedures in each case for both MFS and BST.

4 It is important to note that these significant delays occurred in a controlled
5 environment set up specifically for testing. The problems occurred primarily due to
6 difficulties surrounding the installation of equipment, wiring the equipment within the COs,
7 and a general disparity in nomenclature between the two companies. As indicated, the cause
8 for the delays even in a test environment are multiple.

9 Our experiences with the Atlanta pilot are not atypical of the challenges faced in
10 other LEC markets. There is usually some confusion or misinterpretation of unbundled loop
11 service orders, internal processes which were thought to accommodate the loop provisioning
12 often fail and critical dates are often not met. In this case, the most significant delays
13 occurred due to difficulties surrounding provisioning of cables and unbundled loops. One
14 of the key problems has resulted from the nonstandardized nomenclature for identifying and
15 ordering loops.

16 Some might consider the pilots to be failures; they consume an inordinate amount of
17 time and resources, and they often do not allow MFS to enter a market as soon as It would
18 like. They are successful, however, in pointing out the difficulties and complexities in
19 entering new markets. The pilots are excellent arenas to uncover procedural deficiencies, test
20 new methods and provide hands-on experience for those people who eventually have to do
21 the real work. Admittedly they only scratch the surface of a very intricate and complex
22 process.

1 **17.Q. WHAT IS THE COMPETITIVE IMPACT IF WE DON'T HAVE SMOOTH**
2 **CONVERSIONS?**

3 **A.** Obviously, BST and MFS will have to work together to accomplish the task of converting
4 a customer from BST's local exchange service to MFS' service and eventually vice-versa.
5 When a LEC performs poorly, however, it is MFS that suffers the consequences in the
6 competitive market place. Among the negative repercussions that LEC's poor quality
7 conversions visit on MFS are the following:

- 8 • MFS is forced to incur additional costs for rework.
- 9 • MFS is forced to pay its own employees and subcontractors for time spent waiting
10 for technicians when they fail to meet scheduled conversion times and dates.
- 11 • MFS' credibility and reputation are damaged, not only with the customer whose
12 conversion was improperly handled, but also with other potential customers as the
13 word spreads across the market place.
- 14 • MFS is forced to incur additional costs for goodwill adjustments that must be made
15 to save face with the customer.
- 16 • MFS loses revenues.
- 17 • As a matter of course, MFS offers customers a 90 day service guarantee. As part of
18 this guarantee, MFS will pay the nonrecurring charges for the customer to convert
19 its service back to the LEC, if the customer is dissatisfied with MFS' service. Thus,
20 when a customer decides to cancel its service with MFS as a result of a poor
21 conversion experience, MFS not only loses the potential revenues from that

customer, it is also forced to pay the nonrecurring charges BST bills the customer to reconvert its service.

18.Q. HAS MFS EXPERIENCED ANY PROBLEMS WITH E911 IN BELLSOUTH TERRITORY?

A. Yes. It was determined very late in the implementation stage that BellSouth had unique requirements for the uploading of MFS customer information into its 911 database. This database is updated daily and is maintained by BST with all customer information, regardless of the service provider, to ensure that the Public Safety Answering Points have all of the critical customer information they need on any customer who might dial 911. Instead of a PC to PC transfer of information, which is the method used by most other RBOCs with which MFS deals, BellSouth required a mainframe to mainframe interface. This required MFS' vendor to design this capability into its own database system, which was a highly complex undertaking. There were also serious concerns regarding maintaining the integrity of our vendor's database, because MFS initially understood that BST's interface had BST dip into our database and extract the information. All of the issues were eventually resolved, but the resulting delay was in excess of four weeks.

19.Q. WHAT ARE THE IMPLICATIONS FOR PUBLIC SAFETY IN GEORGIA IF BST FAILS TO PROPERLY PROGRAM ITS E911 DATABASE?

A. Dire, to say the least. The failure to properly maintain the E911 database with the correct names and addresses of the end users of competitive local service providers cannot be overstated. I don't think I need to say much more than that if E911 dispatchers cannot access

1 accurate names and addresses in an emergency, public safety is placed in extraordinary
2 jeopardy.

3 **20.Q. HAS MFS EXPERIENCED PROBLEMS WITH HOW ITS NXX'S ARE TREATED?**

4 A. Yes. There are three different issues which have surfaced in other markets over the last
5 several months, one of which has already occurred in Georgia.

6 The first is that not all of MFS' NXXs are loaded into each LEC CO in the LATA.
7 The result is that an MFS customer may not be able to be dialed from all locations within the
8 LATA. This happened recently in Georgia with one of our few new customers who called
9 to complain that some people trying to call him got recorded messages that indicated that the
10 number was not in service. This is obviously unacceptable and hurts our reputation with
11 end user customers. The issue was resolved when we notified BST, however, their first
12 reaction was to instruct us to open a trouble ticket to resolve the problem. This was also
13 unacceptable because it implies that the service worked in the first place. Also, a trouble
14 ticket has a specific interval which gives the LEC a time interval to fix the problem.
15 Obviously, our customer needed the problem fixed immediately.

16 The second problem we have seen in other markets is that the Bell operator and
17 business office databases have not been populated with MFS' NXXs. Problems occur
18 when an end user (most likely a BST user) calls the operator to ask if a call from their area
19 to a specific MFS NXX is a local or toll call. If the database does not list the MFS NXXs,
20 the operator "assumes" that the MFS NXX noted by the caller must be a long distance call
21 and so informs the caller.

1 Finally, a large problem has been discovered in other markets in regard to the
2 correct establishment of Bell's rating tables. This error affects Bell's own end-users, and
3 is often difficult to discern because of that fact. If Bell does not build its NXX to NXX
4 rating tables correctly with MFS' NXXs to distinguish local charges from intraLATA toll
5 charges, then it may charge its own end users toll rates for call which should be rated as
6 local. This issue has escalated in some areas in the northeast and midwest where the MFS
7 NXX belongs to an Internet Service Provider. The ISP has advertised that its number is
8 a local call within a specific area. Bell customers sign up for service, only to receive a
9 bill from Bell for a month's worth of intraLATA toll calls that should have been local.
10 The customer accuses the ISP of false advertising and threatens to sue. This has not
11 happened in Georgia yet to my knowledge, however, we are not far enough along to
12 ensure that it won't be an issue.

13 These NXX's issues have raised to a level in our company that we are going to
14 send a letter to each RBOC, including BellSouth, identifying these problems and
15 requesting written verification addressing their resolution of these issues.

16 I raise these issues for the purpose of painting a more accurate and realistic picture
17 of the obstacles faced by competitive carriers trying to break into the Georgia local exchange
18 market. Neither facilities-based carriers nor resellers can avoid the consequences of less than
19 acceptable provisioning and operational practices. Until it can be shown that BST provides
20 service to other local exchange carriers at the same level and quality as the service it renders
21 to itself, its affiliates and most favored end users, competition in the local exchange market
22 will not develop in any meaningful way.